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SUBJECT: SOUTH SERBIA: SEVEN MONTHS LOST

REF: (A) 08 Belgrade 800, (B) 08 Belgrade 1343

Summary  
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¶1. (SBU) Two months into 2009 and seven months following the formation of mono-ethnic local governments in the South Serbian municipalities of Bujanovac and Presevo, the political process in the region is at a virtual standstill and the future of economic development remains hostage to petty politicking and personal disputes. All momentum generated following the August 2008 appointment of an enthusiastic new Head of the government-run Coordinating Body for South Serbia (CB) has dissipated, and the heavy-handed arrests in Presevo in late December of alleged former Kosovo Liberation Army (KLA) members on war crimes charges damaged inter-ethnic trust and rekindled tensions. The global financial crisis will continue to make this already poor area even poorer, never a good combination with heightened political unrest. End Summary.

Bujanovac: Same Old, Same Old  
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¶2. (U) During a February 12-13 visit to the Southern Serbian municipalities of Bujanovac and Presevo, USAID Mission Director and PolOff met with the heads of the municipal governments, local opposition politicians, and representatives of the CB to discuss the political and economic situation in this ethnically mixed and politically sensitive region.

¶3. (SBU) The political system in Bujanovac, strained by the inability of ethnic Albanian parties following the May 2008 local elections to negotiate a coalition government that included local Serbs (Ref A), collapsed in mid-January. The 17 ethnic Serb deputies walked out of the local parliament to protest a decision by the ruling majority to replace the last two Serb directors of state-owned public enterprises. (Comment: Although Bujanovac Mayor Saip Kamberi and Assembly President Jonuz Musliu told us that the local assembly remains functional with a quorum, the lack of Serb participation in Bujanovac, whose population is 35-40% Serbian, is a serious obstacle to future GOS engagement in the region. End Comment.)

¶4. (SBU) Kamberi and Musliu insisted that there were ongoing talks - and an offer on the table - with Democratic Party (DS) Bujanovac branch head Goran Taskovic, who is leading the Serb boycott, and former Bujanovac Mayor Stojanca Arsic about returning to the assembly and eventually joining the ruling coalition. Taskovic however denied that there had been any attempts to overcome the impasse, and accused ethnic Albanian MP Riza Halimi of using the situation in Bujanovac to blackmail the GOS into giving him a ministerial portfolio. (Comment: While it is true that the ethnic Albanians link a solution in Bujanovac to long-standing demands for greater ethnic Albanian representation in local-level state institutions such as the police and judiciary, Taskovic, whom our interlocutors - Serbian and Albanian - uniformly told us answers to

nobody in the DS, clearly has an axe to grind. End Comment.)

15. (SBU) Arsic, who struck us as one of the more level-headed local political actors, reflected a more nuanced approach and advocated for a "historical agreement" that not only would help overcome the current crisis but also lay the groundwork for future multi-ethnic governments. Lamenting the time lost since the May 2008 elections and apportioning blame equally, he proposed that the makeup of the local government and the accompanying spoils - seats on public enterprises and administrative jobs - be directly proportionate to electoral results and include non-partisan figures, instead of the current winner-take-all approach. Arsic also focused on the unfolding economic crisis, declaring that economic development would solve many current problems by deflecting attention from politics.

16. (SBU) The OSCE, which has a field office in Bujanovac, is currently trying to broker a comprehensive agreement between Albanian political leaders and the government's Coordinating Body that would address all outstanding issues in Bujanovac as a package. Our OSCE contacts inform us that the two sides are still far apart, however. (Comment: We support the OSCE's efforts and believe such a package agreement would represent an important breakthrough for South Serbia. End comment.)

Presevo: Still Reeling from Arrests

17. (SBU) Although also facing problems with their own politicking and infighting, political actors in Presevo, with its 90% Albanian population, remained most seized with the impact of the late December arrest of nine Serbian-citizen Albanians on charges of committing war crimes in Kosovo in 1999 (Ref B). Ragmi Mustafa, the

BELGRADE 00000154 002 OF 002

bombastic Assembly President, termed the government's case "politically motivated" and accused Belgrade of scripting an incident that would result in "ethnic cleansing" as innocent Presevo Valley Albanians would leave for Kosovo and elsewhere. Mustafa harshly criticized the role played in the arrest by Interior Minister Ivica Dacic, alleging that his Socialist Party of Serbia (SPS) was using tactics honed during the Milosevic area to foment instability in Presevo, Sandzak, and North Mitrovica. He claimed that the GOS's failure to bring concrete charges against those arrested proved the lack of substance to the accusations. (Note: The investigation is ongoing and we expect the government to bring charges in the near future. End note.)

18. (SBU) Skender Destani, head of the opposition Democratic Union of the Valley (BDL), concurred that the arrests destroyed trust and severely complicated relations with the central government. Citing the use of Gendarmerie forces instead of the local multi-ethnic police, Destani told us the arrests emasculated local politicians who were unaware of the operation and unable to influence the situation once it occurred. Turning to his own decision to boycott the Presevo assembly where the BDL holds five seats, Destani explained that the "unholy marriage" of longtime rivals Halimi and Mustafa to form a governing coalition was focused on its own parochial interests at the expense of the people. He reiterated that he fully expects the coalition to fall apart, necessitating new local elections since "the people are more interested in economic development than patriotism or national folklore."

Coordinating Body: Rationality is Key

19. (SBU) Sima Gazikalovic and Branko Delibasic, CB representatives in Bujanovac and Presevo respectively, told us that - as at the national level- personalities drive the political status quo in South Serbia. Echoing a sentiment voiced by others during the trip, Gazikalovic complained that Kamberi and Presevo Mayor Sadiku, both members of Halimi's Party for Democratic Action (PDD), look to Halimi for guidance on even the smallest issues. Expressing the need for more rationality, Gazikalovic told us that the absence of greater political maturity was a source of frustration for the CB and its Head, Minister for State Administration and Self Government

Milan Markovic. (Note: A young, energetic technocrat, Markovic assumed the CB portfolio in late August 2008 intent on reinvigorating dialogue and delivering results. However, the long-festering dispute over the validity of university diplomas issued in Kosovo and, more recently, sharp exchanges in the national Parliament with Halimi have noticeably cooled the minister's appetite for engagement. End Note.)

¶10. (SBU) According to all of our interlocutors, the main sticking point between the CB and the South Serbia Albanians is a lack of communication and unwillingness by either side to take the first step. Whereas Mayor Kamberi believes that Markovic needs to devote more attention to the work of the CB and MP Halimi perceives that the CB failed to consult properly with him on its 2009 budget, the CB responds that the Albanians have failed for the past five months to appoint a deputy to Minister Markovic or to comment on the CB draft strategy for the coming three years.

Comment  
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¶11. (SBU) Seven months into the mandates of the local governments in Bujanovac and Presevo, the picture painted by our South Serbian interlocutors is not pretty. With the effects of the global financial crisis beginning to reverberate throughout Serbia, economically depressed and politically fragile South Serbia needs to present a united front in the battle for ever scarcer resources and Belgrade's attention. Instead, political actors, Serb and Albanian alike, remain mired in petty squabbles, personality conflicts and a stubborn unwillingness to reach across the aisle as hard-fought trust evaporates in the aftermath of the dramatic arrest of the alleged KLA fighters. Ultimately, it is the people of South Serbia, desperately in need of economic opportunity and development, who will suffer most. End Comment.

MUNTER